Devaswom and Miscellaneous Political Expenditure, the decrease is only apparent, as in the previous year extraordinary expenditure had to be incurred.

For 1107, the budget estimate is for a revenue of Rs. 232·19 lakhs and for an expenditure out of revenue of Rs. 231·65 lakhs, leaving a nominal surplus of Rs. 0·54 lakh. In view of the heavy fall in the revenue realisations of 1106, the actuals of which were known only in the early part of the current year, the original estimates under all the revenue heads were again scrutinised early this year and the total revenue for the year was revised at Rs. 216·05 lakhs or Rs. 16·14 lakhs less than the original budget estimate. As the current year was expected to close with a deficit of Rs. 15·60 lakhs against the budgeted surplus of Rs. 0·54 lakh, a Retrenchment Committee was constituted early in Tulam 1107 to suggest ways and means to bridge the gulf between the revenue and the expenditure. The Committee is still at work and its recommendations in respect of various departments have been mostly accepted or are engaging attention. There have been small windfalls of revenue subsequently due to the raising of the duty on salt in British India and to the receipt of the State's share of Rs. 2·70 lakhs from the petrol duty from the British Government. The revenue prospects may also be appreciably bettered by the increase in the Anchal rates, the enhancement of the duty on Coimbatore and Jaffna tobacco and the revision of the tariff rates and duty on certain items of manufactured tobacco. Having regard to the actual revenue derived in the first five months of 1107 and as a result of these changes, the revenue receipts for the year are expected to stand at Rs. 216·40 lakhs. The revised estimate of expenditure, after deducting from the original grant the reductions already effected under travelling allowances and contingencies, public works, etc., being Rs. 227·11 lakhs, the deficit may not exceed Rs. 10·71 lakhs.

The cash balance at the commencement of the year stood at Rs.42·69 lakhs. The minimum cash requirements may be taken as Rs. 40 lakhs. The State cash balance in treasuries and the Bank was only Rs. 35·20 lakhs towards the end of Vrischikam 1107. In order to provide an adequate cash balance and funds for the capital works already undertaken, His Highness the Maha Raja was pleased to sanction a loan of Bh. Rs 10 lakhs from His Highness's private funds.

Economic Conditions.

8. Travancore has not escaped the effects of the world-wide economic depression; and with the degree of economic interdependence of countries now attained, isolation is impossible and as a result foreign trade has been adversely affected. The finances of Governments and of individuals have been equally disturbed with the prolonged existence of abnormal and unprecedented conditions. Every department of governmental activity has been visited by the ill effects of the present situation and you will find evidence throughout the *Administration Report*. The arrears under Land Revenue have increased; the number and value of documents registered have both gone down; foreign trade has decreased; the receipts from Forest and sale of Government lands have

LIBRARY ARCHIVES Kerala Legislative Assembly

declined; the growth in the number of school-going children has suffered a set-back; there has been a fall in Excise and Stamp revenue; and arrears have accumulated in co-operative societies. As foreshadowed in my predecessor's address at the last session, a committee with Dr. N. Kunjan Pillai, Census Commissioner, as chairman and with official and non-official members, was constituted in April 1931 to investigate and report upon the causes of the present economic depression so far as it affected Travancore and to suggest measures to meet the situation. The committee has submitted its report together with separate dissenting minutes by the non-official members. The committee has traversed a wide field and has made definite recommendations on a variety of subjects, such as concessions to be granted in regard to land tax, loans and other facilities for cultivation, reduction of tariff values for assessment to export duty, freight concessions, suspension of *chitties*, arrangements for the collection of reliable statistics, and retrenchment. Some of the recommendations of the committee have already been acted upon. The report is in the press and no time will be lost in considering the others and in giving effect to those that will be found acceptable.

Relief Measures.

9. I shall refer briefly to the several administrative measures that have been sanctioned in order to afford relief to those hard hit by the present economic depression, and then deal with the retrenchments that have been effected in the public service with a view to reduce expenditure. Among the former, it will be found that many of the recommendations of the Economic Depression Enquiry Committee have been accepted. The establishment of the Land Mortgage Bank under State auspices is fully dealt with elsewhere in this address. In the Land Revenue Department, the tax on rubber lands was reduced from Rs. 2 to Re. 1 per acre; the fees on demand notices issued in the second half of 1106 were remitted and the fees already realised were ordered to be adjusted towards the *kist* due in 1107; extension of time was allowed for the payment of tax until the end of 1106 in deserving cases; concessions were granted to the tenants of *Kandukrishi* lands in Ambalapuzha and Trivandrum; one lakh of rupees was sanctioned and earmarked for the grant of loans not exceeding Rs. 200 in each case on fresh applications received in 1106; out of the allotment of Rs. 4·5 lakhs in the current year's budget for the grant of agricultural loans, a sum of Rs. 2 lakhs was set apart for loans not exceeding Rs. 500 in each case; a sum of Rs. 1 lakh was allotted for loans to *punja* cultivators in Kuttanad; exemption from stamp duty was granted in the case of mortgage deeds in respect of these loans; and extension of time is being granted for the payment of instalments of *taravila* in deserving cases. In the Education Department, fines were reduced, and a concession was granted to pupils who failed to pay their fees with fines by the due date. Reductions were made in some license fees charged by the Fisheries Department, and also in the tariff values of some ten agricultural products. Remission of thirty per cent. has been granted in the rentals of all arrack and toddy shops except in the Shertallai taluk; only half the tree tax due for the first half year in 1106 was realised from the toddy shop contractors in the Quilon Division and the

LIBRARY ARCHIVES Kerala Legislative Assembly